

## Monthly business survey in the building industry – February 2018

### In February 2018, the business climate tarnishes slightly again in the building construction industry

According to the business managers in the building construction industry surveyed in February 2018, the business climate has weakened slightly again. The composite indicator has decreased by one point for the second consecutive month and has returned to its November 2017 level. At 107, it remains however far above its long-term average (100).

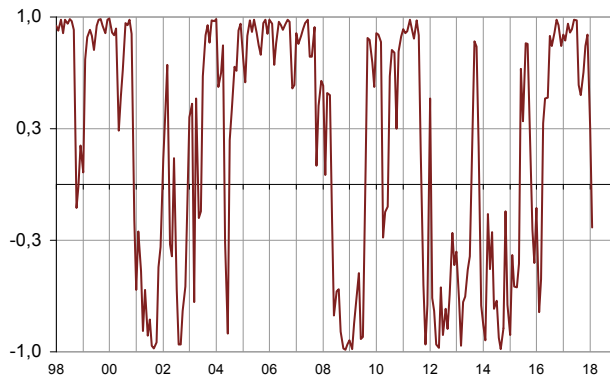
#### Business climate composite indicator

Standardised indicator: average = 100 and standard deviation = 10



The turning point indicator has gone into the uncertainty area, leaving the favorable outlook area for the first time since April 2016.

#### Turning-point indicator



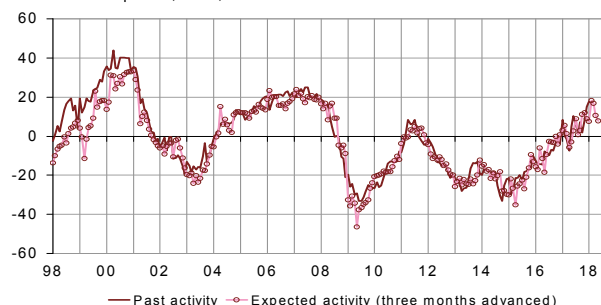
Note: close to 1 (respectively -1), it indicates a favourable climate (respectively unfavourable). The uncertainty area is between -0.3 and +0.3

#### Business managers' optimism on their activity over the next three months has weakened again

In February 2018, roughly as many business managers as in the previous month have indicated an increase in their activity over the last three months. The corresponding balance is virtually stable, far above its long-term average. However, the balance of opinion on expected activity has decreased for the third consecutive month. It remains however well above its long-term average.

#### Activity tendency in building construction

Balances of opinion, in %, SA



#### Building industry economic outlook

Balances of opinion, in %, SA

	Mean*	Nov. 17	Dec. 17	Jan. 18	Feb. 18
<b>Composite indicator</b>	<b>100</b>	<b>107</b>	<b>109</b>	<b>108</b>	<b>107</b>
Past activity	-4	9	15	18	17
Expected activity	-6	18	17	11	8
Gen. business outlook	-17			22	
Past employment	-6	-5	6	-2	-4
Expected employment	-5	0	12	9	2
Opinion on order books	-24	-14	-11	-10	-13
Order books (in month)	5.5	7.4	7.5	7.2	7.4
Production capacity utilisation rate	88.5	89.4	89.7	89.5	89.4
Obstacles to production increase (in %)	32	35	35	35	36
- Because of workforce shortage (in %)	13.7	10.3	11.7	11.8	12.3
Recruiting problems (in %)	57			61	
Expected prices	-15	-5	1	8	2
Cash-flow position	-10			-13	
Repayment period	29			30	

\* Mean since April 1975 for the composite indicator and since September 1993 for the balances of opinion.

Source: INSEE, business tendency survey in the building industry

### **Fewer business managers have reported an increase in their staff size**

In February 2018, fewer business managers than in January have reported an increase in their staff size over the last three months. The corresponding balance has decreased again but remains above its long-term average. Employment prospects are also less favourable than at the end of 2017: the balance of opinion on expected staff size has decreased markedly while remaining well above its long-term average.

#### **Workforce size tendency in building construction**

Balances of opinion, in %, SA



### **Order books judged less filled**

In February 2018, fewer business managers than in the previous month consider that their order books are well filled for the period. The corresponding balance of opinion has fallen back but remains well above its long-term average. With their present staff size, business managers consider that their order books provide 7.4 months of work, a higher level than last month and sharply above the long-term average (5.5 months).

#### **Order books**

Balance of opinion, in %, SA



### **Production capacity remains more used than on average**

After having decreased in January, the production capacity utilisation rate is virtually stable in February 2018. At 89.4%, it stands above its long-term average (88.4%). At the same time, 36% of business managers have reported production bottlenecks, slightly more than last month and noticeably more than on long-term average.

#### **Production capacity utilisation rate**



### **Far fewer business managers plan to increase their prices**

In February 2018, fewer business managers than in January have indicated that they will increase their prices over the next three months. The corresponding balance has slipped back markedly after two months of sharp increase, while remaining well above its long-term average.

#### **For further information**

The balance of opinion is calculated as the difference between the percentage of responses "increase" and the percentage of responses "decrease".

- Additional information (long series, methodology, links, etc.) is available on the web page of this indicator: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=10>
- Historical data are available on the BDM: <https://www.insee.fr/en/statistiques/series/102411948>
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
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